

ATTACHMENT A

The purpose of this attachment is to show that there is a long history of data being placed in the record at the Commission by rural carrier advocates with respect to the issue of what is the financial impact of changes to universal service support levels on individual carriers.

We have included small portions of GVNW data filings that are illustrative of our filings dating back to the time period surrounding the Telecommunications Act of 1996. For a party to state that the Commission has not had a chance to review such data is simply not true, as we have been submitting this type of data for the last 15 years.

TAB 1 – GVNW Inc./Management filing in CC Docket No. 96-45 in April, 1996

TAB 2 – GVNW Inc./Management filing in CC Docket No. 80-286 in December, 1997. The redacted portion of this submission shows a price out for 69 companies of what the impact on a per line per month basis would have been of shifting support to the state jurisdiction.

TAB 3 - GVNW Inc./Management filing in CC Docket No. 96-45 Report to Congress in February, 1998.

GVNW Consulting, Inc.
Reply Comments in GND No. 09-51 and WCD No. 05-337
NCTA Petition – RM-11584
January 22, 2010

TAB 1 – GVNW Inc./Management filing in CC Docket No. 96-45
in April, 1996

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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
Federal-State Joint Board on) CC Docket 96-45
Universal Service)

COMMENTS OF GVNW INC./MANAGEMENT

GVNW Inc./Management (GVNW) respectfully submits its comments in the above-referenced proceeding. GVNW is a consulting firm providing services to local exchange carriers nationwide. Our client companies have been, and continue to be, the sole providers of quality and affordable universal service for many rural areas in this country.

The Telecommunications Act of 1996 reaffirms the need for Universal Service at just, reasonable, and affordable rates to consumers in all regions while outlining policies that strongly promote competition for local services. It can be expected that changes will need to be made in Universal Service mechanisms in those areas of the country where local competition is introduced and there are multiple "eligible telecommunications carriers," GVNW believes that with regard to the service areas of "rural telephone companies", as defined in the Act, this congressional mandate can be accomplished with minimal changes to the current jurisdictional separations rules. We believe that with

SUMMARY OF INTERSTATE LOOP COST RECOVERY

PURPOSE

Illustrate the interstate loop cost recovery under proposed change in rules. The new plan phases out the Carrier Common Line Charges and the Long Term support payments, with an increase in the End User Common Line charges and the residual interstate recovery coming from the Universal Service Fund.

DESCRIPTION

Interstate loop costs are recovered from four sources as follows:

Carrier Common Line Charges - Phased out in new plan.

Universal Service Fund - The universal service fund is designed to recover the interstate expense adjustment, the residual common line requirement in excess of the End User Common Line Access charge (EUCL). (Note, this fund will also include the switch support resulting from DEM weighting for the rural exchange carriers. This portion is not being illustrated in this loop cost analysis.)

Long Term Support - Phased out under new plan.

End User Common Line - This is the monthly charge on end users for access to the interstate network. This is often referred to as the EUCL (End User Common Line charge) or the SLC (Subscriber Line Charge).

SOURCE OF DATA

The data in this appendices is from the information filed by GVNW in October 1994 in response to the Commissions Notice of Inquiry in Docket 80-286 (ref. FCC 94-199). The data is from the 1993 study period.

Analysis - Summary of Interstate Loop Cost Recovery (Based on 1993 data)
 Assuming the transitioning of CCL and LTS to explicit support and Increasing EUCL.

NECA #	COMPANY	Msg Loops	Support	End User		<u>Amount Per Loop Per Month</u>		
				Com. Ln. Rev.*	Total Interstate Loop Cost	Support	End User Com. Ln. Rev.	Total Interstate Loop Cost
1	200259 Hardy Telephone Company	2,310	1,202,909	152,460	1,355,369	43.39	5.50	48.89
2	270429 East Ascension Tel. Co	25,694	2,705,757	1,695,804	4,401,561	8.78	5.50	14.28
3	330937 Price County Telephone Company	3,955	505,179	261,030	766,209	10.64	5.50	16.14
4	330941 Rib Lake Telephone Company	1,139	124,559	75,174	199,733	9.11	5.50	14.61
5	340984 Cass County Telephone Company	2,751	103,123	181,566	284,689	3.12	5.50	8.62
6	341004 El Paso Telephone Company	1,716	34,690	113,256	147,946	1.68	5.50	7.18
7	341009 C-R Telephone Company	895	157,490	59,070	216,560	14.66	5.50	20.16
8	341023 Gridley Telephone Company	1,207	57,003	79,662	136,665	3.94	5.50	9.44
9	341032 Home Telephone Company	810	91,168	53,460	144,628	9.38	5.50	14.88
10	341045 Leaf River Telephone Company	588	88,500	38,808	127,308	12.54	5.50	18.04
11	341049 Madison Telephone Company	1,392	106,898	91,872	198,770	6.40	5.50	11.90
12	341058 Montrose Mutual Telephone Company	1,395	56,941	92,070	149,011	3.40	5.50	8.90
13	341060 Moultrie Independent Telephone	660	136,760	43,560	180,320	17.27	5.50	22.77
14	351105 Ayshire Farmers Mutual	391	5,055	25,806	30,861	1.08	5.50	6.58
15	351316 United Farmers	571	66,210	37,686	103,896	9.66	5.50	15.16
16	351327 Weeb-Dickens	436	10,125	28,776	38,901	1.94	5.50	7.44
17	351888 Grand River, Iowa	5,750	119,223	379,500	498,723	1.73	5.50	7.23
18	381637 West River Telecommunications	9,171	166,660	605,286	771,946	1.51	5.50	7.01
19	411829 S & A Telephone Company	828	157,337	54,648	211,985	15.84	5.50	21.34
20	421865 Citizens	3,725	367,343	245,850	613,193	8.22	5.50	13.72
21	421888 Grand River, Mo.	13,017	697,555	859,122	1,556,677	4.47	5.50	9.97
22	421901 Kingdom Telephone Co	3,669	658,192	242,154	900,346	14.95	5.50	20.45
23	442066 Dell Telephone Cooperative (TX)	552	1,609,008	36,432	1,645,440	242.91	5.50	248.41
24	462187 El Paso County Telephone Company	1,909	306,508	125,994	432,502	13.38	5.50	18.88
25	462188 Farmers Telephone Company	322	177,008	21,252	198,260	45.81	5.50	51.31
26	462196 Peetz Cooperative Telephone	190	31,851	12,540	44,391	13.97	5.50	19.47
27	462201 Rico Telephone Company	107	23,456	7,062	30,518	18.27	5.50	23.77
28	462202 Roggen Telephone Coop.	225	140,524	14,850	155,374	52.05	5.50	57.55
29	462207 Strasburg Telephone Company	919	33,880	60,654	94,534	3.07	5.50	8.57
30	472213 Albion Telephone Company	913	547,788	60,258	608,046	50.00	5.50	55.50
31	472215 Cambridge Telephone Company	805	309,975	53,130	363,105	32.09	5.50	37.59
32	472218 Custer Telephone Cooperative	1,479	22,838	97,614	120,452	1.29	5.50	6.79

*EUCL Rev. = lower of \$5.50 per loop Per Mo. or I/S Lp. Req. /Lp/12 Mo.

Analysis - Summary of Interstate Loop Cost Recovery (Based on 1993 data)
Assuming the transitioning of CCL and LTS to explicit support and increasing EUCL.

NECA #	COMPANY	Msg Loops	Support	End User		Total Interstate Loop Cost	<u>Amount Per Loop Per Month</u>		
				Com. Ln. Rev.*			Support	End User Com. Ln. Rev.	Total Interstate Loop Cost
33	472226 Midvale Telephone Exchange, Id.	356	282,807	23,496		306,303	66.20	5.50	71.70
34	472230 Potlatch Telephone Company	912	252,822	60,192		313,014	23.10	5.50	28.60
35	472232 Rockland Telephone Company	312	280,749	20,592		301,341	74.99	5.50	80.49
36	472233 Rural Telephone Company	388	230,594	25,608		256,202	49.53	5.50	55.03
37	472234 Troy Telephone Company	781	52,888	51,546		104,434	5.64	5.50	11.14
38	482242 Interbel Telephone Company	1,159	621,093	76,494		697,587	44.66	5.50	50.16
39	482244 Lincoln Telephone Company	868	21,030	57,288		78,318	2.02	5.50	7.52
40	482251 Range (Montana)	3,093	1,311,780	204,138		1,515,918	35.34	5.50	40.84
41	482254 Southern Montana Telephone Company	778	372,627	51,348		423,975	39.91	5.50	45.41
42	482255 Blackfoot Telephone Cooperative	5,958	1,338,632	393,228		1,731,860	18.72	5.50	24.22
43	482257 Triangle	8,422	1,143,344	555,852		1,699,196	11.31	5.50	16.81
44	492066 Dell Telephone Cooperative (NM)	305	400,551	20,130		420,681	109.44	5.50	114.94
45	492259 Baca Valley Telephone	635	569,379	41,910		611,289	74.72	5.50	80.22
46	492263 La Jicarita Rural Telephone Co	1,534	355,042	101,244		456,286	19.29	5.50	24.79
47	492272 Roosevelt County Telephone	1,586	767,749	104,676		872,425	40.34	5.50	45.84
48	502277 Central Utah	999	350,159	65,934		416,093	29.21	5.50	34.71
49	502278 Emery Telephone Company	3,637	134,397	240,042		374,439	3.08	5.50	8.58
50	502286 South Central Utah Telephone	3,120	258,069	205,920		463,989	6.89	5.50	12.39
51	502287 Uintah Basin	2,454	1,200,113	161,964		1,362,077	40.75	5.50	46.25
52	512251 Range (Wyoming)	1,485	498,155	98,010		596,165	27.95	5.50	33.45
53	512289 Chugwater Telephone	257	28,831	16,962		45,793	9.35	5.50	14.85
54	512291 Dubois Telephone Exchange	1,801	949,093	118,866		1,067,959	43.92	5.50	49.42
55	512296 Tri County Telephone	954	212,933	62,964		275,897	18.60	5.50	24.10
56	522404 Asotin Telephone Company (Wa)	1,031	264,391	68,046		332,437	21.37	5.50	26.87
57	522412 Ellensburg Telephone Company	17,421	16,874	1,149,786		1,166,660	0.08	5.50	5.58
58	522451 Western Wahkiakum County Telephone	902	626,017	59,532		685,549	57.84	5.50	63.34
59	522453 Yelm Telephone Company	7,906	172,593	521,796		694,389	1.82	5.50	7.32
60	532226 Midvale Telephone Exchange, Or.	209	155,279	13,794		169,073	61.91	5.50	67.41
61	532359 Beaver Creek Cooperative	3,793	312,268	250,338		562,606	6.86	5.50	12.36
62	532362 Canby Telephone Association	8,466	9,079	558,756		567,835	0.09	5.50	5.59
63	532363 Clear Creek Mutual Telephone	3,172	468,224	209,352		677,576	12.30	5.50	17.80
64	532364 Colton Telephone Company	1,074	249,151	70,884		320,035	19.33	5.50	24.83

*EUCL Rev. = lower of \$5.50 per loop Per Mo. or I/S Lp. Req. /Lp/12 Mo.

Analysis - Summary of Interstate Loop Cost Recovery (Based on 1993 data)
Assuming the transitioning of CCL and LTS to explicit support and Increasing EUCL.

NECA #	COMPANY	Msg Loops	Support	Amount Per Loop Per Month		Support	End User Com. Ln. Rev.	Total Interstate Loop Cost
				End User Com. Ln. Rev.*	Total Interstate Loop Cost			
65	532369 Eagle Telephone	402	80,540	26,532	107,072	16.70	5.50	22.20
66	532371 Cascade Utilities	8,286	133,733	546,876	680,609	1.34	5.50	6.84
67	532376 Helix Telephone	242	156,082	15,972	172,054	53.75	5.50	59.25
68	532377 Home Telephone Company	627	145,572	41,382	186,954	19.35	5.50	24.85
69	532378 Trans-Cascades Telephone Company	127	192,678	8,382	201,060	126.43	5.50	131.93
70	532383 Molalla Telephone Company	4,794	1,113,604	316,404	1,430,008	19.36	5.50	24.86
71	532384 Monitor Cooperative	625	86,856	41,250	128,106	11.58	5.50	17.08
72	532387 Nehalem Telephone & Telegraph	2,400	0	148,365	148,365	0.00	5.15	5.15
73	532388 North State Telephone	462	31,643	30,492	62,135	5.71	5.50	11.21
74	532389 Oregon Telephone	1,655	127,202	109,230	236,432	6.40	5.50	11.90
75	532390 Oregon-Idaho Utilities	537	627,545	35,442	662,987	97.38	5.50	102.88
76	532392 Pine Telephone	715	244,589	47,190	291,779	28.51	5.50	34.01
77	532393 Pioneer Telephone Cooperative	11,845	115,465	781,770	897,235	0.81	5.50	6.31
78	532397 Scio Mutual Telephone	1,541	103,233	101,706	204,939	5.58	5.50	11.08
79	532404 Asotin Telephone Company (Or)	107	171,210	7,062	178,272	133.34	5.50	138.84
80	542332 The Ponderosa Telephone Company	7,018	3,648,328	463,188	4,111,516	43.32	5.50	48.82
81	542339 Siskiyou Telephone Company	4,063	1,682,531	268,158	1,950,689	34.51	5.50	40.01
82	552233 Rural Telephone Company	493	353,609	32,538	386,147	59.77	5.50	65.27
83	552349 Churchill County Telephone	9,254	1,354,942	610,764	1,965,706	12.20	5.50	17.70
84	552351 Lincoln County Telephone System	1,857	77,859	122,562	200,421	3.49	5.50	8.99
85	552356 Rio Virgin Telephone Company	2,004	69,791	132,264	202,055	2.90	5.50	8.40
86	613001 Arctic Slope Telephone	1,692	1,023,924	111,672	1,135,596	50.43	5.50	55.93
87	613003 Bristol Bay Telephone Cooperative	1,464	529,264	96,624	625,888	30.13	5.50	35.63
88	613004 Bush-Tell, Inc	684	357,029	45,144	402,173	43.50	5.50	49.00
89	613006 Copper Valley Telephone Cooperative	4,189	1,297,455	276,474	1,573,929	25.81	5.50	31.31
90	613007 Cordova Telephone Cooperative	1,531	279,453	101,046	380,499	15.21	5.50	20.71
91	613011 Interior Telephone	3,789	1,772,610	250,074	2,022,684	38.99	5.50	44.49
92	613013 Ketchikan Public Utilities	8,709	1,195,369	574,794	1,770,163	11.44	5.50	16.94
93	613016 Mukluk Telephone	798	741,230	52,668	793,898	77.40	5.50	82.90
94	613018 Nushagak Telephone Cooperative	1,725	447,152	113,850	561,002	21.60	5.50	27.10
95	613019 Otz Telephone Cooperative	2,273	252,665	150,018	402,683	9.26	5.50	14.76
96	613023 United Utilities	4,006	2,180,471	264,396	2,444,867	45.36	5.50	50.86

*EUCL Rev. = lower of \$5.50 per loop Per Mo. or I/S Lp. Req. /Lp/12 Mo.

Analysis - Summary of Interstate Loop Cost Recovery (Based on 1993 data)
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NECA #	COMPANY	Msg Loops	Support	End User Com. Ln. Rev.*	Total Interstate Loop Cost	<u>Amount Per Loop Per Month</u>		
						Support	End User Com. Ln. Rev.	Total Interstate Loop Cost
97	613025 Yukon Telephone Company	372	186,650	24,552	211,202	41.81	5.50	47.31
		265,545	45,508,510	17,515,935	63,024,445	14.28	5.50	19.78

*EUCL Rev. = lower of \$5.50 per loop Per Mo. or I/S Lp. Req. /Lp/12 Mo.

TAB 2 – GVNW Inc./Management filing in CC Docket No. 80-286 in December, 1997. The redacted portion of this submission shows a price out for 69 companies of what the impact on a per line per month basis would have been of shifting support to the state jurisdiction.



December 8, 1997

Magalie Roman Salas
Secretary
Federal Communications Commission
Washington, DC 20554

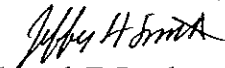
Dear Ms. Salas:

Enclosed are the original and eleven copies of the comments of GVNW Inc./Management in response to the Commission's Public Notice in CC Docket 80-286 (Reference FCC No. 97-354) released October 7, 1997.

Also enclosed is one copy of our comments to be stamped and returned in the enclosed self addressed stamped envelope.

Any questions regarding this filing may be directed to me at (503) 624-7075.

Sincerely,


for Kenneth T. Burchett
Vice President

cc: Connie Chapman (Paper Copy and Diskette)
Common Carrier Bureau
Accounting and Audits Division
2000 L Street N.W.
Suite 200 M
Washington D.C. 20554

Service List

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1231 20th Street N.W.
Washington, DC 20036

Encl.

starting in 1999 (See Part 36.601(c)). Further cause for concern is the requests for comment in this NPRM regarding dropping the 25% loop cost allocation to interstate (Paragraph 92). We ask the Joint Board to resist any attempts to shift the supported costs that are currently assigned to interstate to the state jurisdiction. The shift of costs to the state jurisdiction would put an unreasonable burden on the customer base of these small rural companies. Below we have included a priceout which illustrates the per month shift in cost to the state jurisdiction that would occur if the interstate costs associated with the three mechanisms (Switch support, LTS, and High Cost Loop support) were shifted to the state. (A more detailed analysis of the data supporting the numbers below are included in Exhibit E to these Comments.) As can be seen in the table below, the impact on certain small LECs customers could be extreme.

		Costs That Will Shift to State if the Support is Removed from the Separations Process	Support Per Line Per Month Shifted to State
NECA Code	Company Name	Total Interstate Support	
1 200529	Hardy Telephone Company	\$1,429,529	\$46.81
2 330937	Price County Telephone Co.	\$480,590	\$9.14
3 341003	Egyptian Telephone Cooperative	\$681,491	\$20.10
4 341026	Harrisonville Telephone Company	\$1,131,472	\$22.97
5 341032	Home Telephone Company	\$1,239,139	\$6.17
6 341045	Leaf River Telephone Company	\$926,868	\$87.28
7 341058	Montrose Mutual Telephone Company	\$287,422	\$39.01
8 341093	Yates City Telephone Company	\$184,891	\$10.10
9 341825	Shawnee Telephone Company	\$398,371	\$59.60
10 351105	Ayrshire Telephone Company	\$109,084	\$25.11
11 351888	Grand River (Ia)	\$373,497	\$5.39
12 381637	West River Telecommunications	\$1,010,677	\$4.71
13 421065	Citizens	\$863,109	\$18.40
14 421888	Grand River(Mo)	\$5,513,537	\$34.16
15 421901	Kingdom Telephone Co	\$4,116,018	\$77.44
16 442066	Dell Telephone Coop. (Tx)	\$1,884,224	\$250.83
17 452226	Midvale Telephone Exch-Az	\$334,800	\$58.13
18 462187	El Paso County Telephone Company	\$218,703	\$6.07
19 462188	Farmers Telephone Company	\$413,001	\$90.10
20 462196	Peetz Cooperative Telephone Co.	\$208,371	\$85.54
21 472213	Albion Telephone Company	\$974,832	\$80.59
22 472215	Cambridge Telephone Company	\$604,024	\$50.95

**Costs That Will Shift to State if the Support is
Removed from the Separations Process**

NECA Code	Company Name	Total Interstate Support	Support Per Line Per Month Shifted to State
23 472226	Midvale Telephone Exch (Id)	\$626,027	\$110.29
24 472232	Rockland Telephone Company	\$474,103	\$31.43
25 472233	Rural Telephone Co	\$413,013	\$76.83
26 482235	Blackfoot Telephone Cooperative	\$1,903,985	\$22.94
27 482242	Interbel	\$1,631,609	\$93.51
28 482244	Lincoln Telephone Company	\$106,556	\$9.10
29 482247	Nemont Telephone Coop.	\$3,897,365	\$24.22
30 482251	Range Telephone Coop	\$2,005,939	\$30.24
31 482254	Southern Montana	\$671,595	\$60.70
32 482257	Triangle Telephone Cooperative	\$1,285,446	\$11.07
33 483308	Clark Fork Telecommunications	\$2,755,786	\$31.95
34 483310	Central Montana Communications	\$2,224,540	\$24.76
35 492066	Dell Telephone Coop. (Nm)	\$880,443	\$217.07
36 492259	Baca Valley Telephone	\$640,155	\$87.60
37 492265	Tularosa Basin Telephone	\$717,693	\$15.03
38 492272	Roosevelt County Telephone	\$1,092,334	\$43.14
39 502277	Central Utah Telephone Co	\$300,593	\$17.28
40 512251	Range Wyoming	\$3,835,427	\$22.03
41 512289	Chugwater Telephone Company	\$125,986	\$40.38
42 512291	Dubois Telephone Exchange	\$1,247,241	\$53.47
43 532226	Midvale Telephone Exch-Or	\$187,659	\$68.59
44 532359	Beaver Creek Telephone Company	\$597,265	\$11.80
45 532362	Canby Telephone Assn.	\$625,143	\$5.29
46 532363	Clear Creek Mutual Telephone Compan	\$795,334	\$18.44
47 532364	Colton Telephone Company	\$447,518	\$31.60
48 532369	Eagle Telephone System, Inc.	\$370,243	\$76.75
49 532371	Cascade Utilities	\$705,090	\$6.67
50 532376	Helix Telephone Company	\$292,659	\$87.41
51 532378	Trans-Cascades	\$198,931	\$109.06
52 532383	Molalla Telephone Company	\$1,128,642	\$17.02
53 532384	Monitor Cooperative Telephone Compa	\$328,559	\$40.44
54 532387	Nehalem Telephone And Telegraph	\$256,976	\$7.60
55 532388	North-State Telephone Company	\$114,248	\$18.78
56 532389	Oregon Telephone Corporation	\$323,702	\$15.38
57 532390	Oregon-Idaho Utilities, Inc.	\$1,677,323	\$201.41
58 532392	Pine Telephone System, Inc.	\$838,427	\$95.19
59 532393	Pioneer Telephone Cooperative	\$1,051,807	\$6.42
60 532397	Scio Mutual Telephone Association	\$448,524	\$21.08
61 542339	Siskiyou Telephone	\$2,896,752	\$56.13
62 552233	Rural Telephone Company	\$550,982	\$63.16
63 552349	Churchill County	\$2,317,332	\$82.60
64 552351	Lincoln County Telephone	\$327,436	\$13.01
65 552356	Rio Virgin Telephone Co.	\$191,292	\$3.43
66 613001	Arctic Slope Telephone Cooperative	\$1,731,006	\$71.84
67 613003	Bristol Bay Telephone Cooperative I	\$765,598	\$34.26
68 613019	Otz Telephone Cooperative	\$976,087	\$28.26
69 613025	Yukon Telephone Company	\$493,115	\$79.33

		Costs That Will Shift to State if the Support is Removed from the Separations Process		Support Per Line Per Month Shifted to State
NECA Code	Company Name	Total Interstate Support		
Total		\$70,857,136		\$24.02

The FCC concept of using the support to further reduce interstate access costs becomes unreasonable relative to its universal service objectives when applied to the small rural companies if the costs are not also assigned to the interstate jurisdiction. The following is a priceout of the impact of using the support to further reduce interstate access rates after the supported cost has been removed from the separations process. (A more complete analyses of the data supporting this priceout is included in Exhibits F and G to these comments.)

		Impact of Using Forward Looking Economic Cost (FLEC) Support to offset Interstate Access Revenue Requirement		Costs to be Recovered Access & B&C
NECA Code	Company Name	Remaining Interstate Requirement	Estimated Interstate FLEC Support	
1	200529 Hardy Telephone Company	\$521,108	\$526,849	(\$5,741)
2	330937 Price County Telephone Co.	\$576,950	\$311,235	\$265,715
3	341003 Egyptian Telephone Cooperative	\$683,312	\$586,067	\$97,245
4	341026 Harrisonville Telephone Company	\$3,323,831	\$2,950,856	\$372,975
5	341032 Home Telephone Company	(\$346,248)	\$0	(\$346,248)
6	341045 Leaf River Telephone Company	\$47,813	\$284,999	(\$237,186)
7	341058 Montrose Mutual Telephone Company	\$162,567	\$280,892	(\$118,325)
8	341093 Yates City Telephone Company	\$106,172	\$12,232	\$93,940
9	341825 Shawnee Telephone Company	\$885,109	\$896,637	(\$11,528)
10	351105 Ayrshire Telephone Company	\$86,786	\$102,952	(\$16,166)
11	351888 Grand River (Ia)	\$909,395	\$478,692	\$430,703
12	381637 West River Telecommunications	\$400,658	\$0	\$400,658
13	421065 Citizens	\$577,709	\$476,905	\$100,804
14	421888 Grand River(Mo)	\$2,137,427	\$1,496,680	\$640,747
15	421901 Kingdom Telephone Co	(\$719,557)	\$757,844	(\$1,477,401)
16	442066 Dell Telephone Coop. (Tx)	\$910,284	\$925,369	(\$15,085)
17	452226 Midvale Telephone Exch-Az	\$147,154	\$197,222	(\$50,068)
18	462187 El Paso County Telephone Company	\$423,878	\$156,943	\$266,936
19	462188 Farmers Telephone Company	\$89,518	\$111,667	(\$22,149)

GVNW Consulting, Inc.
Reply Comments in GND No. 09-51 and WCD No. 05-337
NCTA Petition – RM-11584
January 22, 2010

**TAB 3 - GVNW Inc./Management filing in CC Docket No. 96-45
Report to Congress in February, 1998.**

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GVNW

February 6, 1998

Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, NW Room 222
Washington, DC 20554


Dear Ms. Salas:

Enclosed are the original and four copies of the reply comments of GVNW Inc./Management in response to the Commission's Public Notice in CC Docket No. 96-45 Report to Congress (Reference FCC DA 98-2 released January 5, 1998.)

Also enclosed is one copy of our reply comments to be stamped and returned in the enclosed self addressed stamped envelope.

Any questions regarding this filing may be directed to me at (503) 624-7075.

Sincerely,


Kenneth T. Burchett
Vice President

cc: Sheryl Todd (Paper Copy and Diskette)
Common Carrier Bureau
Universal Service Branch
2100 M Street N.W.
Washington D.C. 20554

Service List

International Transcription Service
1231 20th Street NW
Washington, DC 20036

Encl.

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GVNW INC./MANAGEMENT

P.O. Box 230399 • Portland, Oregon 97281-0399 • 7125 S.W. Hampton • Portland, Oregon 97223 • (503) 624-7075 • Fax: (503) 624-7076

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	(Report to Congress)

REPLY COMMENTS
of
GVNW INC./MANAGEMENT

GVNW Inc./Management (GVNW) respectfully submits its reply comments in the above-referenced proceeding. The Commission was directed by 1998 appropriations legislation (H.R. 2267) to undertake a review of the implementation of the provisions of the Telecommunications Act of 1996 relating to universal service. The report is intended to provide a detailed description of the extent to which the Commission's interpretations in certain areas are consistent with the plain language of the Act. GVNW provides the following reply comments on the five questions for inclusion in the report to be submitted to Congress by April 10, 1998.

Question # 1. The Definitions of "information service," "local exchange carrier," "telecommunications," "telecommunications service," "telecommunications carrier," and "telephone exchange service" contained in Section 3 of the Act, and the impact of the interpretation of those definitions on the provision of universal service to consumers in all areas of the Nation.

these small rural companies. Below we have included a priceout which illustrates the per month shift in cost to the state jurisdiction that would occur if the interstate costs associated with the three mechanisms (Switch support, LTS, and High Cost Loop support) were shifted to the state. (A more detailed analysis of the data supporting the numbers below are included in Exhibit E to these Comments.) As can be seen in the table below, the impact on certain small LECs customers could be extreme.

Costs That Will Shift to State if the Support is Removed from the Separations Process			Support Per Line Per Month Shifted to State
NECA Code	Company Name	Total Interstate Support	
1 200529	Hardy Telephone Company	\$1,429,529	\$46.81
2 330937	Price County Telephone Co.	\$480,590	\$9.14
3 341003	Egyptian Telephone Cooperative	\$681,491	\$19.74
4 341026	Harrisonville Telephone Company	\$2,023,261	\$10.08
5 341032	Home Telephone Company	\$794,978	\$75.28
6 341045	Leaf River Telephone Company	\$536,690	\$81.02
7 341058	Montrose Mutual Telephone Company	\$175,244	\$9.71
8 341093	Yates City Telephone Company	\$113,935	\$17.05
9 341825	Shawnee Telephone Company	\$524,055	\$10.93
10 351105	Ayrshire Telephone Company	\$109,084	\$25.11
11 351888	Grand River (Ia)	\$373,497	\$5.39
12 381637	West River Telecommunications	\$1,010,677	\$4.71
13 421065	Citizens	\$863,109	\$18.40
14 421888	Grand River(Mo)	\$5,513,537	\$34.16
15 421901	Kingdom Telephone Co	\$4,116,018	\$77.44
16 442066	Dell Telephone Coop. (Tx)	\$1,884,224	\$250.83

Costs That Will Shift to State if the Support is Removed from the Separations Process		Total Interstate Support	Support Per Line Per Month Shifted to State
NECA Code	Company Name		
17 452226	Midvale Telephone Exch-Az	\$334,800	\$58.13
18 462187	El Paso County Telephone Company	\$218,703	\$6.07
19 462188	Farmers Telephone Company	\$413,001	\$90.10
20 462196	Peetz Cooperative Telephone Co.	\$208,371	\$85.54
21 472213	Albion Telephone Company	\$974,832	\$80.59
22 472215	Cambridge Telephone Company	\$604,024	\$50.95
23 472226	Midvale Telephone Exch (Id)	\$626,027	\$110.29
24 472232	Rockland Telephone Company	\$474,103	\$31.43
25 472233	Rural Telephone Co	\$413,013	\$76.83
26 482235	Blackfoot Telephone Cooperative	\$1,903,985	\$22.94
27 482242	Interbel	\$1,631,609	\$93.51
28 482244	Lincoln Telephone Company	\$106,556	\$9.10
29 482247	Nemont Telephone Coop.	\$3,897,365	\$24.22
30 482251	Range Telephone Coop	\$2,005,939	\$30.24
31 482254	Southern Montana	\$671,595	\$60.70
32 482257	Triangle Telephone Cooperative	\$1,285,446	\$11.07
33 483308	Clark Fork Telecommunications	\$2,755,786	\$31.95
34 483310	Central Montana Communications	\$2,224,540	\$24.76
35 492066	Dell Telephone Coop. (Nm)	\$880,443	\$217.07
36 492259	Baca Valley Telephone	\$640,155	\$87.60
37 492265	Tularosa Basin Telephone	\$717,693	\$15.03
38 492272	Roosevelt County Telephone	\$1,092,334	\$43.14
39 502277	Central Utah Telephone Co	\$300,593	\$17.28
40 512251	Range Wyoming	\$3,835,427	\$22.03
41 512289	Chugwater Telephone Company	\$125,986	\$40.38
42 512291	Dubois Telephone Exchange	\$1,247,241	\$53.47
43 532226	Midvale Telephone Exch-Or	\$187,659	\$68.59
44 532359	Beaver Creek Telephone Company	\$597,265	\$11.80
45 532362	Canby Telephone Assn.	\$625,143	\$5.29
46 532363	Clear Creek Mutual Telephone Compan	\$795,334	\$18.44
47 532364	Colton Telephone Company	\$447,518	\$31.60
48 532369	Eagle Telephone System, Inc.	\$370,243	\$76.75
49 532371	Cascade Utilities	\$705,090	\$6.67
50 532376	Helix Telephone Company	\$292,659	\$87.41

Costs That Will Shift to State if the Support is Removed from the Separations Process		Total Interstate Support	Support Per Line Per Month Shifted to State
NECA Code	Company Name		
51 532378	Trans-Cascades	\$198,931	\$109.06
52 532383	Molalla Telephone Company	\$1,128,642	\$17.02
53 532384	Monitor Cooperative Telephone Compa	\$328,559	\$40.44
54 532387	Nehalem Telephone And Telegraph	\$256,976	\$7.60
55 532388	North-State Telephone Company	\$114,248	\$18.78
56 532389	Oregon Telephone Corporation	\$323,702	\$15.38
57 532390	Oregon-Idaho Utilities, Inc.	\$1,677,323	\$201.41
58 532392	Pine Telephone System, Inc.	\$838,427	\$95.19
59 532393	Pioneer Telephone Cooperative	\$1,051,807	\$6.42
60 532397	Scio Mutual Telephone Association	\$448,524	\$21.08
61 542339	Siskiyou Telephone	\$2,896,752	\$56.13
62 552233	Rural Telephone Company	\$550,982	\$63.16
63 552349	Churchill County	\$2,317,332	\$82.60
64 552351	Lincoln County Telephone	\$327,436	\$13.01
65 552356	Rio Virgin Telephone Co.	\$191,292	\$3.43
66 613001	Arctic Slope Telephone Cooperative	\$1,731,006	\$71.84
67 613003	Bristol Bay Telephone Cooperative I	\$765,598	\$34.26
68 613019	Otz Telephone Cooperative	\$976,087	\$28.26
69 613025	Yukon Telephone Company	\$493,115	\$79.33
Total		\$70,857,136	\$24.02

GVNW is opposed to the removal of needed support from the jurisdictional separations process. Removing the support assignment from interstate would create a significant and unacceptable shift to the state jurisdiction. As the Commission determines which rule changes may be in the public interest, we recommend that a careful balancing of changes needed for competitive entry be weighed against the need to meet the universal service mandate found in the Act.

CONCLUSION

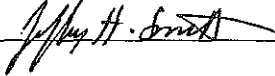

The Congress has established a workable framework for maintaining universal service for all citizens. The FCC has completed many important universal service tasks in a very short timeframe. We hope, as this important work continues, the Commission will indeed be able to meet Chairman Kennard's stated objective of working closely with small telcos in creating "*a competitive telecommunications marketplace that leaves no one behind and keeps all of America connected.*" We agree with the Chairman that small and rural LECs are "*vitaly important*" to our national telecommunications future as they "*are building the infrastructure that will keep rural America connected.*" If this is to be realized, it will be important for the Congress and the FCC to recognize company specific data impacts that GVNW and others have placed on the record in this and other FCC proceedings. The negative impacts for certain rural customers are not reflected if policy makers examine only the industry average impact.

We continue to recommend a cautious approach to regulatory changes designed to encourage competition in high cost rural areas. Given the difficulties being experienced in

introducing local competition in metropolitan areas where the economics should be most favorable to competition, rural competition seems even further away. Inappropriate regulatory decisions designed to establish a competitive market in rural areas could result in harming the telecommunications system that presently is in place in rural America. The impacts on rural citizens and the companies presently providing telecommunications services should be carefully examined prior to implementing major regulatory changes.

Respectfully submitted,

GVNW Inc./Management

By: 
 Kenneth T. Burchett

Vice President
7125 SW Hampton
Portland, Oregon 97223

(503) 624-7075

February 6, 1998